



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



Defense Logistics Management Standards Office (DLMSO)

Joint Physical Inventory Working Group (JPIWG) Meeting 16-02

June 29, 2016

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Agenda

- Opening Remarks
- Review Open Action Items
 - Validation of Requirements for ADC 33, Revised Inventory Prioritization
 - PDC 1222 Revision of Annual Chief Financial Office (CFO) Requirements under Inventory Prioritization
 - General Supply Record Accuracy Goals
- Open Discussion/New Topics
- Wrap up



Validation of Requirements for ADC 33

- ADC 33, Revised Inventory Prioritization, December 6, 2000, revise DLMS physical inventory procedures to place responsibility for the inventory prioritization methodology/model with the owner and not distribution depot. MILSTRAP Transaction DIC DJA, Physical Inventory Request. (DLMS 846P)
- As a result, the following was added to DLMS Chapter 6, in footnote 1, page 12:
 - “The Distribution Standard System is capable of accepting Physical Inventory Request Transactions with Type of Physical Inventory/Transaction History Code I*; however, the DoD Services have not implemented this capability. The DoD Service Supply PRC representatives are to notify DLA Logistics Management Standards when an implementation date is known per Approved DLMS Change (ADC) 33”
- Has any DOD Component implemented ADC 33?
 - DSS Implemented on 5/31/2001.
- Do we still have a need for this capability?

*Type of physical inventory/ transaction history code I definition is “scheduled Inventory. Initiated by owner based on owner’s inventory prioritization



PDC 1222 Revision of Annual Chief Financial Officer's (CFO) Requirements under Inventory Prioritization

Revise MILSTRAP and DLMS Volume 2 to remove requirements under Inventory Prioritization that requires each year's DOD CFO Annual Statistical Sample Plan to be provided to the Joint Physical Inventory Working Group (JPIWG) Chair for posting to the JPIWG Web Page. In addition, this change will document current practices regarding responsibilities for the distribution of the Annual CFO report.

Current Status: PDC released for staffing.
Responses are due: July 10, 2016



General Supply Record Accuracy Goals

Table C7.T1. General Supplies Record Accuracy Goals Stratification Sub-Populations And Associated Goals And Tolerance Levels			
CATEGORY	SUB-POPULATION	GOAL (PERCENT)	TOLERANCE (PERCENT)
A	UNIT PRICE > \$1,000	99	0
B	UNITS OF ISSUE THAT MAY BE NONDEFINITIVE OR DIFFICULT TO MEASURE OR (ON-HAND BAL > 50 AND EXTENDED VALUE < \$50,000) OR NSN ACTIVITY (# transactions affecting balance in one year) > 50	95	10
C	DATE OF LAST INVENTORY > 24 MONTHS AND ON-HAND BALANCE < 50	95	5
D	ALL OTHER MATERIEL NOT MEETING ABOVE CRITERIA	95	0
95 percent Confidence Level			
+4 percent Bound applicable to each category			

The Navy proposed a change in the General Supply Record Accuracy Goals to eliminate categories B and C in order to simplify these metrics.



General Supply Record Accuracy Goals Background

- OSD Memorandum dated October 29, 1997, requested that the JPIWG develop a standard for measuring inventory record accuracy by March 1998.
- In response, JPIWG developed the General Supplies Record Accuracy Goals in February 1998.
- In 1998, the JPIWG initially developed 6 categories for the General Supply Record Accuracy Goals to include Classified/Sensitive and Pilferables. In 1999, the group further refined the goals to only 4 categories, eliminating separate categories for control items.



General Supply Record Accuracy Goals Background Cont.

- Navy, asked for an exemption from incorporating the Inventory Records Accuracy Goal Category D portion related to National Stock Number (NSN) activity > 50 (NSN activity = the number of balance affecting transactions in one year). Navy indicated that their OCONUS depots, which have NSN activity > 50, will have transitioned to DLA before this goal can be implemented in Navy systems.

- Deputy Under Secretary of Defense (Materiel and Distribution Management) (DUSD(L) MDM) agreed that Navy can exclude this requirement if it is not applicable to them, if they include a footnote to that effect when reporting their record accuracy goals.



Open Discussion

Any current issues that should be brought up to the Working Group?



Upcoming Meeting

TBD